

Sustainability Commission Report on an Issue of Interest

Topic - Climate Protection Act of 2013

Senators Sanders and Boxer have introduced in the US Senate a bill to address climate disruptions through the use of a revenue neutral carbon pollution fee.

The Sustainability Commission recommends that the City send a letter of support for passage of that legislation.

Reference - Climate Protection Act of 2013

Overview of provisions-

<http://www.sanders.senate.gov/imo/media/doc/021413-2pager.pdf>

Text of Legislation for S 332 –

<http://www.sanders.senate.gov/imo/media/doc/0121413-ClimateProtectionAct.pdf>

Key Points/Highlights

Recent reports indicate that the measures being taken have not decreased the rate at which climate change is occurring. In fact, the rates are faster and the impacts are more severe than had been predicted. In two recent conferences held in the Bay area, independently, both the former head of NASA Goddard, James Hansen, and the former Secretary of Energy and Nobel laureate, Steven Chu, identified a revenue-neutral carbon fee as the most effective way in their opinions of making considerable impact in carbon-based emissions.

This proposed legislation tackles the problem as these two scientific leaders have recommended.

The goal of the legislation is to directly impose a fee on products and processes for their carbon-polluting emissions, offsetting costs that all tax payers currently pay through other means to remedy the adverse impacts attributable to those emissions.

The legislation is crafted working much like a VAT so that no emission is paid for twice and, through import fees, so that no USA industry experiences any

disadvantage when competing against an industry located in a country that does not have like legislation.

There are a number of provisions in the 25 page bill:

- Fees start at a modest level and grow over a number of years until full cost is achieved. This gives industry and society time to adjust.
- Fees rise no more than 5.6% per year over the next 10 years.
- No carbon emission is assessed a fee more than once. (For instance, raw materials with paid fees will be discounted from finished products.)
- USA industry is guaranteed that it will not be held at an unfair disadvantage
- Specific industries, which account for the major carbon footprint, are targeted
- To guarantee that behavior shifts do not adversely impact some communities, safe water provisions are included.
- Some of the collected fees are reserved for use in energy efficiency and sustainability efforts.
- Some of the collected fees are reserved for job training and investment in domestic manufacturing in clean technology industry.
- A portion of the collected fees is to be used to pay down the national debt (roughly \$300B)

Importance to Sunnyvale

Sunnyvale has always been a leader in the protection of the environment.

Living in a densely populated area, without sufficient local fresh water resources and with the northern border of the city at sea level, we have always been conscious of how important a stable climate is to the health of our community.

The city has always had a discipline of cost recovery for many of its activities. In the area of carbon emission impacts, it seems natural to support an effort to extend that discipline globally.

Supporting such a national effort is both consistent with our principles and important to the future economic and social health of our community.

Sustainability Commission's Position

The commission recommends that the City of Sunnyvale send a letter of support to Senators Boxer, Feinstein, and Sanders for passage of the bill.

The Commission recognizes that there are provisions in the bill that seem superfluous. The bill be stronger and more to the point if those provisions were questioned more closely.

In particular, the sections that address *Fugitive Methane Emissions*, though important, distract from the major theme. By applying the basic tenants of the proposed legislation, it is likely the technologies in question (fracking) would become economically untenable.

In the sections that provide for a specific redirection of some of the funds to specific programs, the principle of a revenue-neutral fee is also weakened.